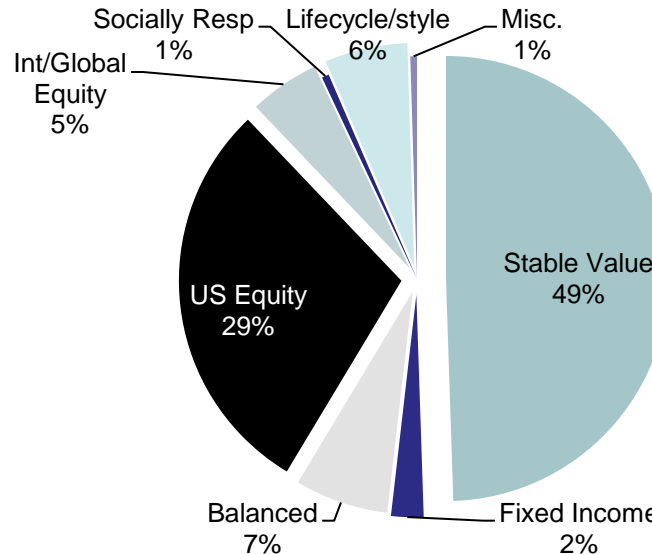
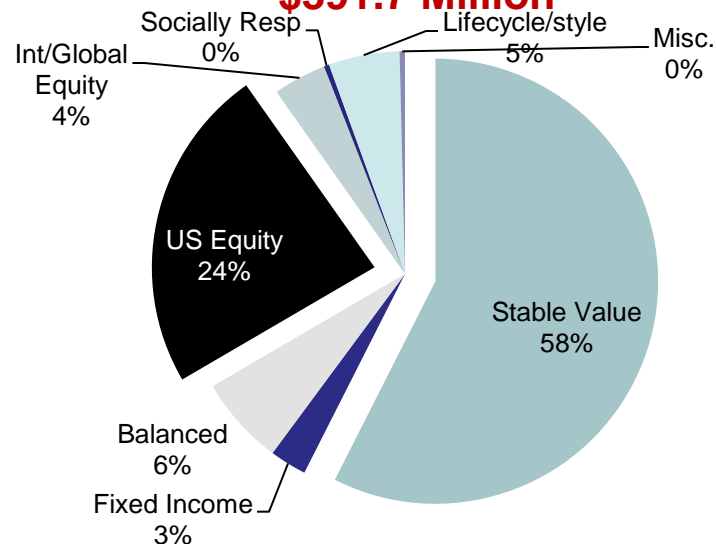


Nevada Deferred Compensation

NDC - Asset Allocation as of 3/31/10 \$497.7 Million



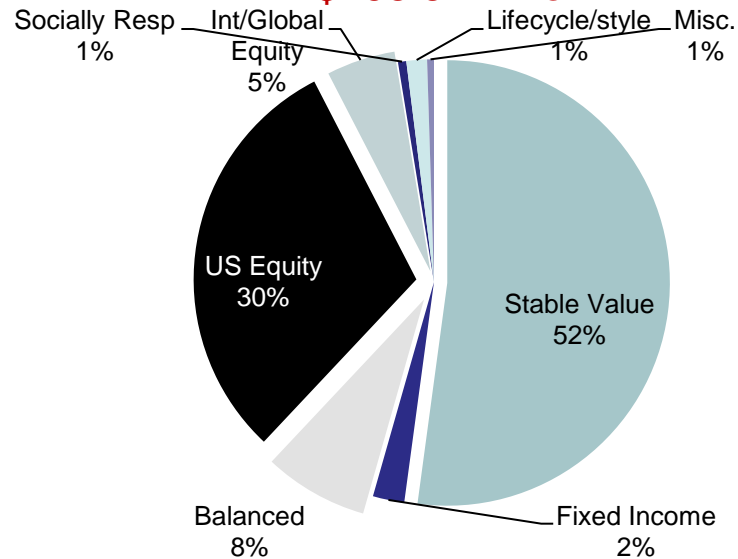
NDC - Asset Allocation as of 3/31/09 \$391.7 Million



Nevada Deferred Compensation

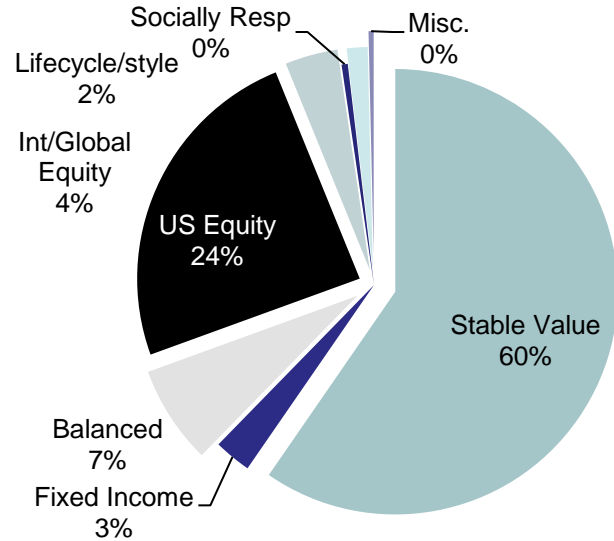
Hartford - Asset Allocation as of 3/31/10

\$408.9 Million



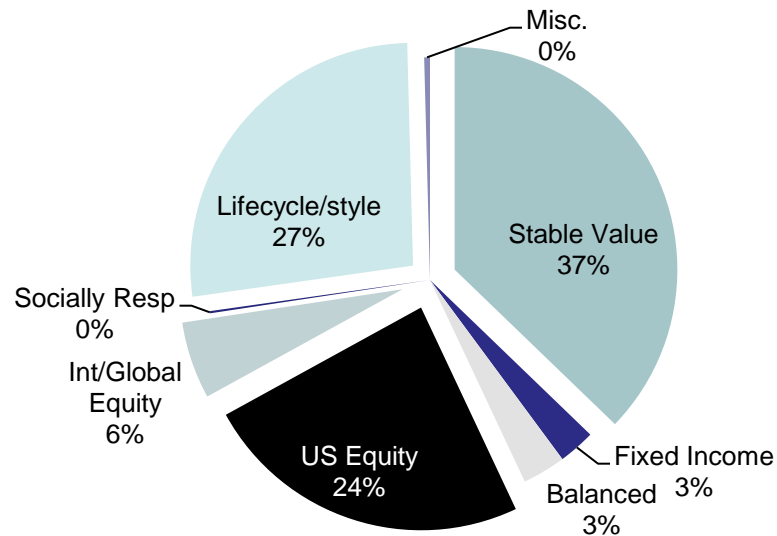
Hartford - Asset Allocation as of 3/31/09

\$331.08 Million

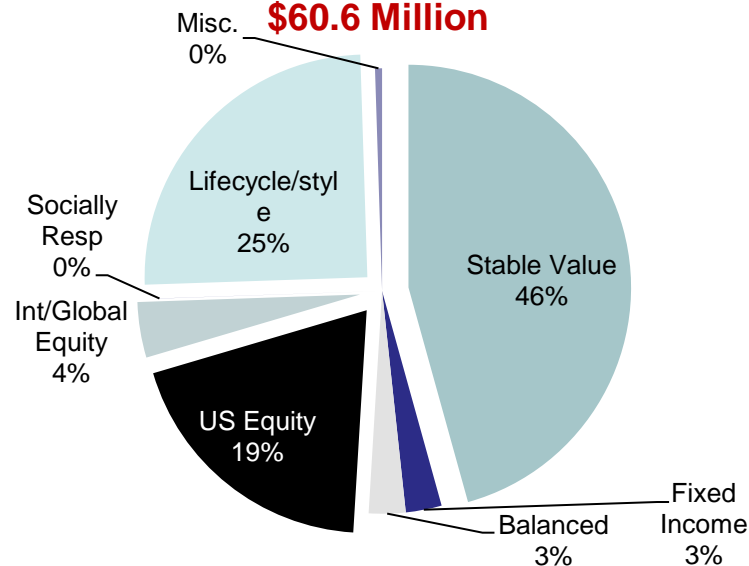


Nevada Deferred Compensation

ING- Asset Allocation as of 3/31/10
\$88.8 Million



ING- Asset Allocation as of 3/31/09
\$60.6 Million



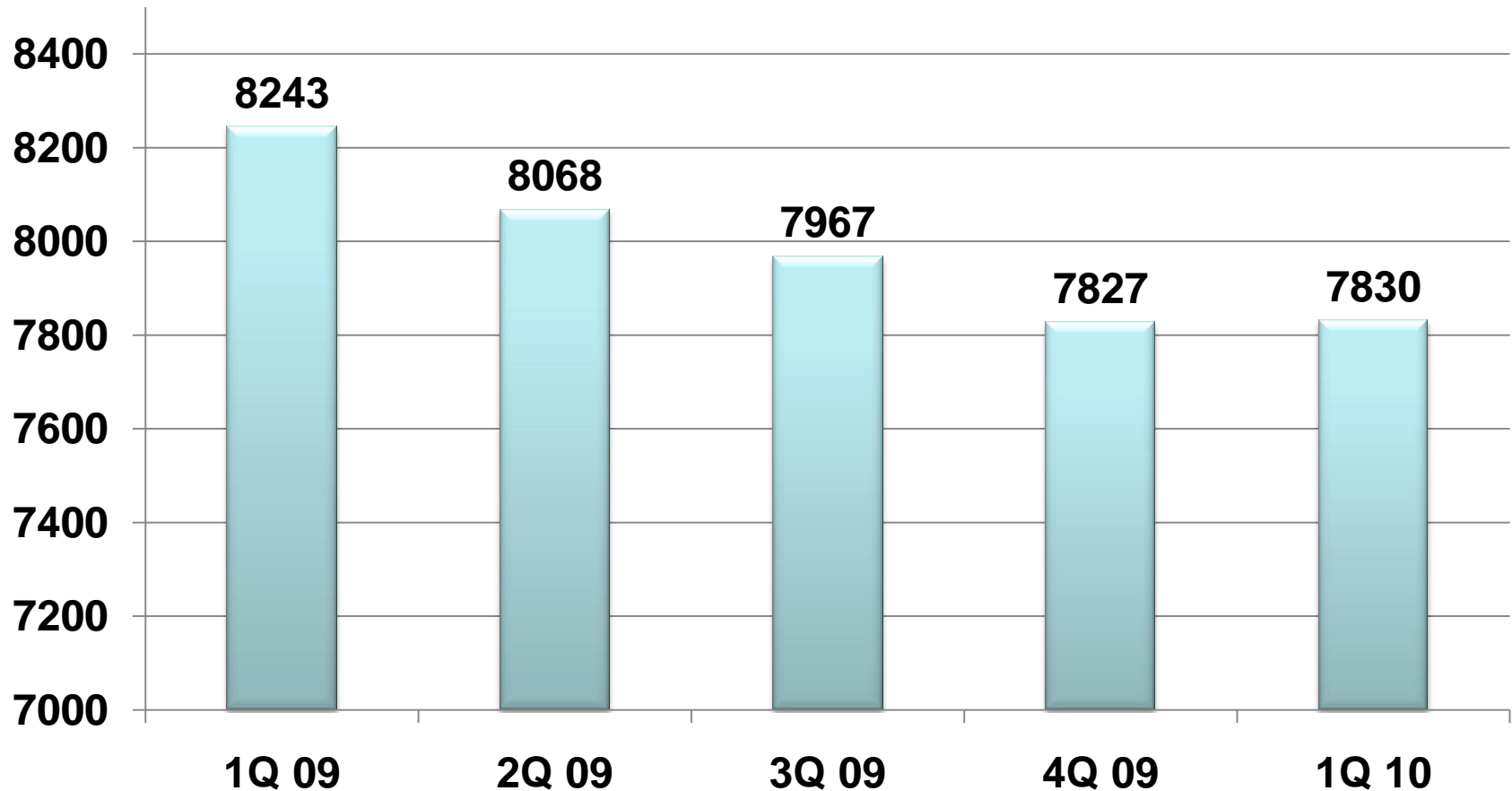
Contribution Comparison

	TOTAL
1 st Q 2009	\$11,322,039*
1 st Q 2010	\$10,234,533*

✓ 10% decrease in 1Q 2010 total plan contributions

*Contribution amounts include new monies only

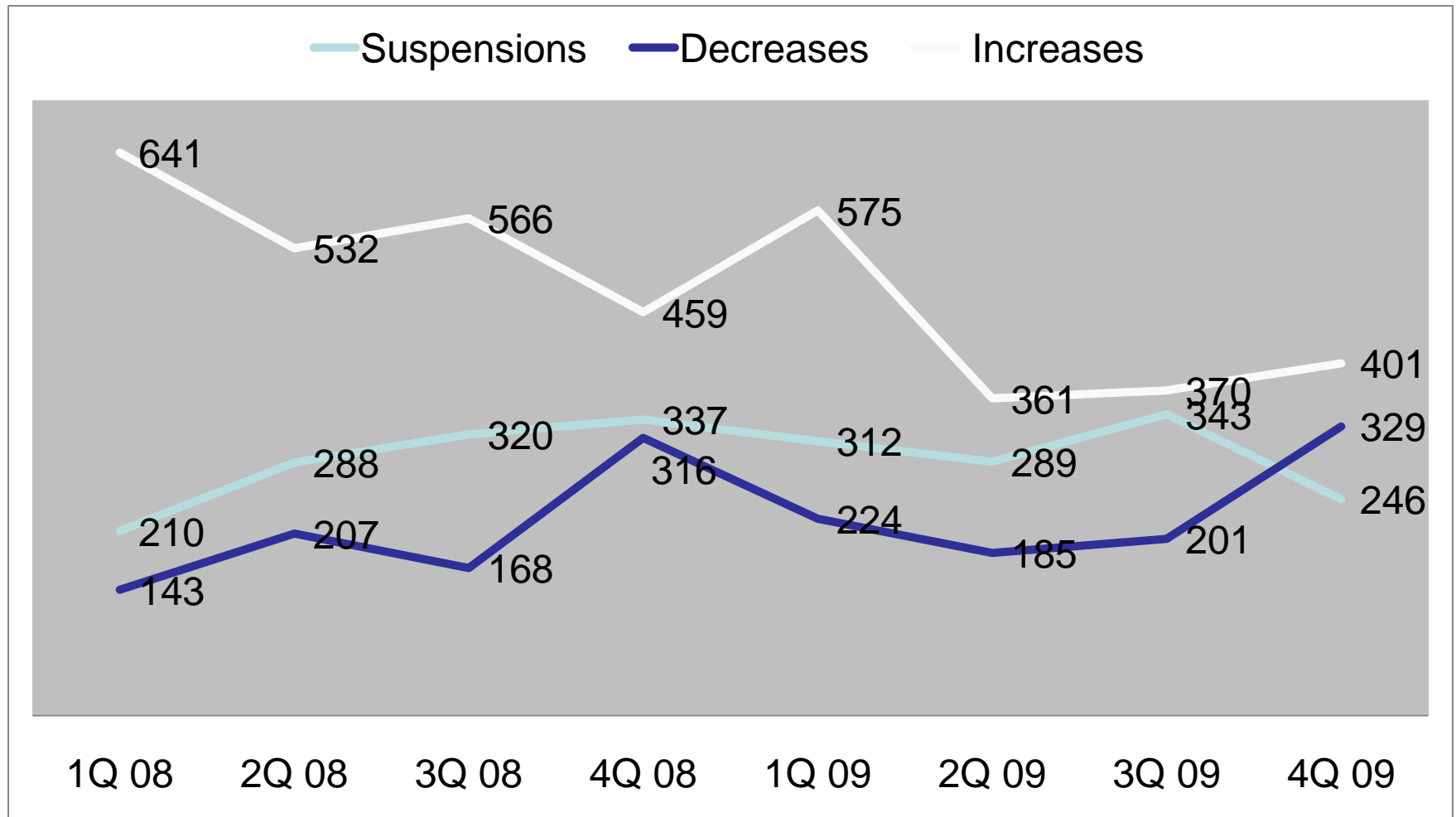
Participants Actively Contributing



Contribution Amounts









Contribution Data



Nevada Deferred Compensation

Plan Activity

	1Q 09	1Q 10	% Change
Total Participants	12,923	13,058	 1%
New Participants	150	188	 25%
Quarterly Cash Flow	\$11.32	\$10.23	 11%
Individual Mtg with Reps	1,893	1,533	 19%
Group Enrollment Meetings	179	190	 6%
Unforeseen Emergencies (Total \$)	\$67,547	\$113,182	 68%

Nevada Deferred Compensation

Performance Indicators	FY 10 Actual (as of March 31, 2010)	FY 10 Goal
Total Participants*	10,632	11,429
Participation Rate*	31%	39%
Percent of funds with top ratings (4-5 stars) - Actively Managed Funds Only	71%	75%
Average Annual Costs to Participants**	0.69%	0.68%
Percent of Customers' Calls to providers answered within 20 seconds	64% Hartford 91% ING	80%
Total Plan Assets*	\$400.5 million	\$393 million

* Does not include alliance partner data

9
** Does not include guaranteed accounts

Investment Structure Review

- 2009 Planning Meeting Goal
 - Plan Design
 - Stable Value/Guaranteed Accounts
 - Asset Allocation Funds
 - Plan Structure – Variable Investment Options
- Participant Behavior & Investment Options
- Objectives
 - Enhance Participation
 - Potential Cost Savings

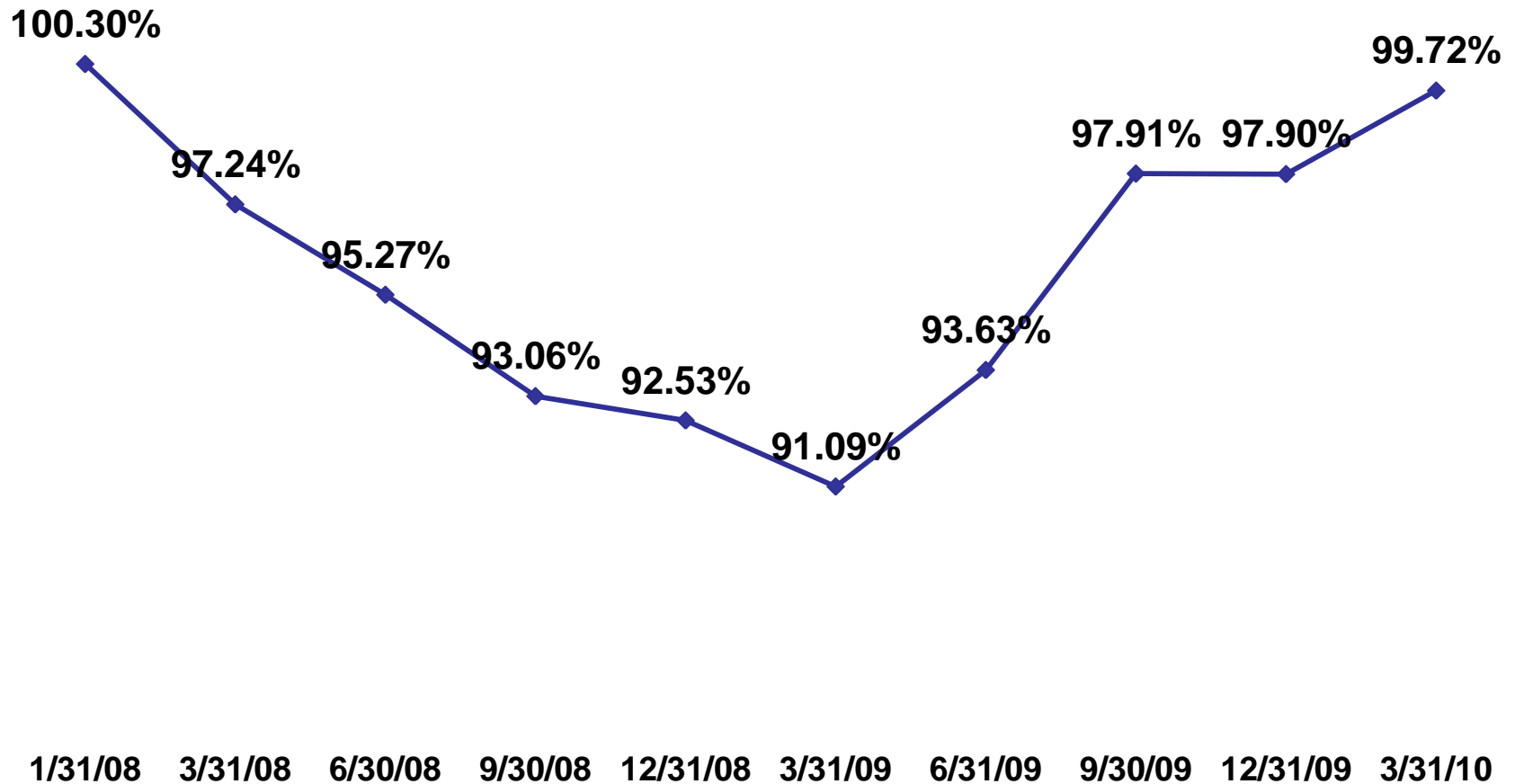
Next Steps...

- Staff will work with Mercer to draft a specific plan for reducing the number of options, to include recommended policies, template and timing
 - Current Changes
 - Changes for RFP

ING Stabilizer Fund Change Update

- Participant Communication
- Timeline for Discontinuance and Liquidation
 - Market to book value higher than 100%
- Current Market to Book Value

ING Stabilizer Market to Book Value



Market to Book Value Example

May 18, 2010 = 101.08%

Market Value:	\$35,667,744
Book Value:	\$35,285,095
Difference:	\$ 382,649
Fees:	\$ 20,546
Transaction Costs:	\$35,668 - \$107,004
Net Difference:	\$ 255,099

State Street Target Date Funds

- Committee Motion in February to add either Barclay's Global Investors (BGI) or Vanguard to replace SSgA Funds
- Vanguard Target Date Funds added by Hartford

Vanguard Target Date Funds

- Recommendation based on:
 - Significant assets under management
 - Conservative lending policies
 - Plan's existing relationship
 - Funds' lower expense ratios
 - Consistent performance

Recommended Motion

- Motion to replace the SSgA Target date funds, which include Today, 2015, 2035 and 2045, with the Vanguard Income, 2015, 2025, 2035 and 2045, respectively

Fund Watch List Approval

- AllianceBernstein International Value: Remain on Watch
- Hartford General Account: Remain on Watch
- ING Stabilizer Fund: Terminate
- Lazard U.S. Mid Cap Equity: Remain on Watch
- Mutual Global Discovery Fund: Remain on Watch
- Oppenheimer Main Street Small Cap: Remain on Watch
- Van Kampen Equity & Income: Remain on Watch

FY 2009 Financial Audit Report

- **Primary Purpose**
 - Program Financial Statement
 - Service Providers
 - Payroll Centers
- **2006 NAGDCA Survey**
 - 64% of state 457(b) plans are audited by independent auditor
 - 74% audited annually

Recommended Motion

- Motion to approve the Clifton Gunderson Financial Audit reports and statements and direct Staff to begin the process of resolution on the necessary items

2012-13 Biennium Budget

- Staff proposed \$0 increase in Budget
- Expected Changes:
 - Compliance audit in 2012 not 2013
 - Reduction in financial audit
 - Reduction in printing/postage
 - Propose elimination of Las Vegas meeting
 - Propose cost savings used for Kelly Services contract

Performance Indicators

- Staff proposes including Total Plan Data
- Indicators:
 - Quality Investment Options
 - Minimal Costs to Participants
 - Customer Service
 - Plan Participants
 - Plan Assets
 - Participation Rate
 - New Enrollments - NEW

Compliance Audit

- Primary Purpose:
 - Ensure compliance with applicable rules and regulations
- Primary Steps:
 - Review Plan documentation
 - Interview Staff and service providers
 - Sample transactions
 - Provide summary report
- Staff Resolution Report

Compliance Audit Resolution

- Staff's Audit Findings
 - Three-year Catch Up Documentation
 - Incomplete documentation
 - Deferral amounts and 'normal retirement age' not complete
 - Unforeseen Emergency Documentation
 - Participant requests not coordinated
 - Duplicate requests

Recommended Motion

- Motion to approve Staff's Resolution Report as submitted or amended

Communication Plan Update

- Simplified Enrollment Form
- Retirement Education Day
- Target Marketing to Various Dept.
- Newsletter Distribution
 - Email distribution to all State employees
 - Working with web-development team
- Welcome Letter
- Update plan website